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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 000817

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TAGS: [PGOV](#) [IR](#)  
SUBJECT: DIWANIYAH GOVERNOR AND PC CHAIR TALK  
RECONSTRUCTION, ELECTIONS, AND SECURITY WITH PRT

Classified By: PRT Team Leader Robert Pitre for reasons 1.4 (b) and (d)  
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¶1. (C) Summary: PRT Team Leader, REO Hillah RSO, and PRT Offs met with Diwaniyah Governor Khudari (ISCI) on March 9 to discuss the overall situation in Diwaniyah province, future engagements between the governor and PRT, the need for economic development, and the prospect of provincial elections. The governor mentioned overtures on possible foreign investment, including apparent North Korean interest. Following the meeting with the governor, PRT Team Leader and PRToffs met with Diwaniyah Provincial Council Chairman Khalidi (ISCI) to discuss reconstruction efforts in the province. End Summary.

#### Governor Recoils at Security Sweeps

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¶2. (C) Khudari spoke about the improvement in overall security in the province and his hope that continued relative stability would allow more reconstruction activities and engagements with the PRT and Coalition forces stationed at Camp Echo. The governor accepted PRT Team Leader's proposal of more frequent engagements; however, he maintained his objections to the requests of PRT personal security detail advance teams to search the governorate building or his office. He said that attempts to search his office and the Governorate Compound constituted an "affront" since, as host, he would be responsible for the security of PRT offs meeting him at his office. Despite the governor's agitation surrounding PSD insistence to search his facilities, he agreed to continue further engagements at Camp Echo. (Comment: Khudari also readily acknowledged that if Ambassador Crocker were to visit, he would allow the security sweep due to the Ambassador's "elevated" status. End Comment).

#### Investors from around the globe

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¶3. (C) Khudari reported on his recent engagement with investors during a trip to Beirut. During his trip he met with businessmen from Bahrain and Korea and, according to the governor, signed agreements promising future investment in the province. (Note: A previous report indicated that the governor met with representatives from North Korea while in Beirut, who promised to visit the province in the future to assess its investment potential. End Note.) The governor added that he has also spoken with the Polish Ambassador about investment in Diwaniyah and that similar contact has been initiated with embassies from countries around the globe. While he maintained that he "did not need them," he stressed that he "invites and would welcome" any foreign investors, including business interests from the United States.

Elections

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14. (C) When asked about the prospect of provincial elections, Khudari stated that the Iraqi parliament should fix the problems with the provincial powers law since the problems themselves originated in the parliament. He appeared cautiously optimistic that parliament would sort out the problems which it had created. He also commented that an area of concern regarding the elections is the composition of the Iraqi High Elections Council and the legitimacy of some council members remains unresolved. The governor hinted that the October elections would not allow enough time to properly formulate and execute an "agenda," but remained vague about whether or not he expected provincial elections would bring about any political change in the province.

How much money for Diwaniyah?  
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15. (C) Returning to the topic of reconstruction, Khudari addressed the need for redevelopment and job creation in Diwaniyah province, which, reportedly, currently shoulders a heavy unemployment rate (Comment: Verifiable figures are difficult to obtain, but some reports place the unemployment rate in range of 60%. End Comment). He spoke to the 128 million USD appropriated to the province by the GOI for reconstruction efforts, but inquired about his province's share of USD 20 billion (of unknown origin) for Iraq reconstruction efforts. He then presented the PRT Team Leader with one-half of a flyer (which PRT staff witnessed him tearing in half during the meeting) that he claimed had been distributed throughout Diwaniyah by unknown sources. The governor stated that the Arabic language flyer claimed that

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the United States and Coalition Forces would spend over 20 million USD on schools, healthcare, and reconstruction. The governor pointedly asked where this flyer had originated and where the money was being spent. He added that he was not aware of work equivalent to USD 20 million. Upon further investigation after the meeting, PRT Team Leader obtained an English version of the complete flyer from Polish forces which clearly displayed the MND CS logo and the text that "MND CS is happy that we have been helping and are still helping our friends - the people of Diwaniyah."

Like a Breath of Fresh Air  
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16. (C) During the meeting the next day with Provincial Council Chairman Khalidi, who was accompanied by both a local Iraqi attorney recently hired by USAID, the Local Governance Program in Diwaniyah and a provincial government engineer, ongoing reconstruction projects and interaction with the PRT were the topics covered. The chairman warmly welcomed those present to the province and engaged with our REO Hillah USAID representative regarding ongoing assistance from the Local Governance Program. The chairman stated that the province was in great need of additional reconstruction projects, but preferred to leave the discussion about specific projects to a future meeting between his staff and PRT officials. Khalidi offered the assessment that Iraqis were not yet ready to assume sole responsibility for reconstruction due to a lack of knowledge and expertise. He also mentioned that reconstruction efforts should not be limited to the city of Diwaniyah since those residing throughout the countryside also require support. In addition to his desire for "large projects," Khalidi said that the "farmers of Diwaniyah need machinery, fertilizer, and seed." (Comment: This statement, believed to be an obvious reference to the Agricultural Union initiated by the U.S. Civil Affairs unit at Camp Echo, stands in stark contrast to the Governor's past assertions that the union is illegal. The governor has reportedly gone so far as to issue arrest warrants for sheikhs taking part in the union and has used the police to attempt to arrest truck drivers

transporting fertilizer and seeds. End Comment.)

Comment

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17. (C) Comment: Despite the often close-mindedness and chilly demeanor of the governor, future engagements with him and his staff may initiate a more productive dialogue. Khudari limits his interpretation of the word "reconstruction" in Provincial Reconstruction Team to mean mega-infrastructure projects and often mentions that Diwaniyah has not received funds equivalent to other provinces. PC Chairman Khalidi, by contrast, is much more conciliatory and tries to tell us what we want to hear. End Comment.  
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